GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3210
ANSWERED ON:14.12.2006
RESERVED AND SURPLUS OF CPSE
Topdar Shri Tarit Baran

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Central Public Sector Enterprises (CPSEs) have reserve and surplus of more than Rs. 3 lakh crore;

(b) if so, the details and the facts thereof as on date;

(c) whether debt equity ratio of 80:20 has been permitted to private sector for new projects in the country;

(d) if so, whether the same would be permitted to CPSEs also;

(e) if so, the details thereof; and

(f) the details of the maximum resources which can be mobilized from debt market by the CPSEs against above reserves.?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV)

(a) & (b) : As per the latest issue of Public Enterprises Survey, as on 31.3.2005, all 237 Central Public Sector Enterprises (CPSEs) taken together had reserves and surplus of Rs. 3.10 lakh crore.

(c) : At present, all credit related matters of commercial banks are deregulated by the Reserve Bank of India. As such, no debt equity ratio has been prescribed for credit extended by the banks to public/private enterprises.

(d) & (e) : Does not arise.

(f) : The extent and quantum of debt which CPSEs employ for financing their investment plans depends on a number of factors, which inter-alia, include internal generation of resources, capacity and scope for new investment, financial viability of the project, nature of the sector, commercial decision of management etc. Hence the level of reserves alone can not determine the maximum resources which can be mobilized from the debt market.